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## If You Moved in 2006

**Residents** who temporarily lived outside Michigan may qualify for a credit if Michigan remained their state of domicile. Personal belongings and furnishings must have remained in the Michigan homestead **and** the homestead must **not** have been rented or sublet during the temporary absence. (See the definitions of resident on page 6 and domicile on page 17.)

**If you bought or sold your home**, you must prorate your taxes. Complete Form MI-1040CR, lines 36-42, to determine the taxes that can be claimed for credit. Use only the taxes levied in 2006 on each Michigan homestead, then prorate taxes based on days of occupancy. Do **not** include taxes on out-of-state property.

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## Part-Year Residents

If you lived in Michigan at least six months during the year, you may be entitled to a partial credit. If you are a part-year resident, you must include all income received as a Michigan resident in household income (line 28). Complete Form MI-1040CR, lines 36-42, to determine the taxes eligible to be claimed for credit on your Michigan homestead.

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## Residents of Nursing Homes and Other Adult Care Homes

If you are a resident of a nursing home, adult foster care home or home for the aged, that facility is considered your homestead. If the facility pays local property taxes (many do not), you may claim your portion of those taxes for credit. You may **not** claim rent. Ask the manager what your share is or, to determine it yourself, divide the amount of property tax levied on the facility in 2006 by the number of residents for which the facility is licensed. This is your share. If both you and your spouse live in the facility, add your shares together. If you lived in the facility only part of the year, multiply this amount by the portion of the year you lived at the facility.

**Exception:** Credit is not allowed if your facility care charges are paid

directly to the facility by a government agency.

If you maintain a homestead and your spouse lives in an adult care home, you may file a joint credit claim. Combine the tax for your homestead and your spouse's share of the facility's property tax to compute your claim.

If you are single and maintain a homestead (that is **not** rented) while living in an adult care home, you may claim either your homestead or your share of the facility's property tax, but not both. Use the one that gives you the larger credit.

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## Deceased Claimant's Credit

The estate of a taxpayer who died in 2006 (or 2007 before filing a claim) may be entitled to a credit for 2006. The surviving spouse, other authorized claimant or personal representative can claim this credit. Use the deceased's Social Security number and the personal representative's address. If taxpayer died after December 31, 2005, enter the date of death in the "Deceased Taxpayers" box on the bottom of page 2.

The **surviving spouse** may file a joint claim with the deceased. Enter both names and Social Security numbers on the form, and write "DECD" after the deceased's name. Sign the return and write "filing as surviving spouse" in the deceased's signature block. Enter the date of death in the "Deceased Taxpayers" box on the bottom of page 2. Include the deceased's income in household income.

If filing as a **personal representative** or **claimant** to the refund of a single deceased taxpayer(s), you must attach a *Statement of Person Claiming Refund Due a Deceased Taxpayer* (U.S. 1310) or *Michigan Claim for Refund Due a Deceased Taxpayer* (Form MI-1310). Enter the deceased's name in the Filer's Name field and the representative's or claimant's name and title in the Spouse's Name field. See the "Deceased Taxpayer Chart of Examples" on page 43. A **claimant** must prorate to the date of death as noted in the following paragraph.

The **personal representative** or **claimant** claiming a credit for a single

deceased person or on a jointly filed credit if both filers became deceased during the 2006 tax year, must prorate taxes to the date of death. Complete lines 38-42 to prorate the property taxes. Annualize household income. (See the instructions for line 29 and 34 on page 22.) Attach a copy of the tax bills or rent receipts. If filing as a **personal representative** or **claimant** of a deceased taxpayer(s) for a **jointly** filed return, you must attach a U.S. 1310 Form or Form MI-1310. Enter the names of the deceased persons in the Filer's and Spouse's Name fields and the representative's or claimant's name, title and address in the Home Address field. See "Deceased Taxpayer Chart of Examples" on page 43.

If you are a personal representative or claimant filing a joint return, see "Deceased Taxpayers" on page 7.

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## Married During 2006

If you married during 2006, combine each spouse's share of taxes or rent for the period of time he or she lived in separate homesteads. Then add the prorated share of taxes or rent for the time you lived together in your marital home. This only applies to homes located in Michigan.

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## Married Filing Separately

Spouses who file separate Michigan income tax returns and share a household are entitled to **one** property tax credit. Complete your property tax credit claim jointly and include income from both spouses in household income. Divide the credit as you wish. If each spouse claims a portion of the credit, attach a copy of the claim showing each spouse's share of the credit to each income tax return. Enter only your portion of the credit on Form MI-1040, line 34.

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## Separated and Filing a Joint Return With Your Spouse

Your claim must be based on the tax or rent for 12 months on only one home. The household income must be the combined income of both you and your spouse for the entire year.